

**ALPENA COMMUNITY COLLEGE**

Federal Financial Assistance Compliance Audit  
For The Year Ended June 30, 2004

**STRALEY, ILSLEY & LAMP P.C.**

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Certified Public Accountants

## STRALEY, ILSLEY & LAMP P.C.

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RETIRED  
GORDON A. NETHERCUT, C.P.A.  
CARL F. REITZ, C.P.A.  
WARREN W. YOUNG, C.P.A.

To the Board of Trustees  
Alpena Community College  
Alpena, Michigan

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS.** We have audited the financial statements of Alpena Community College, Alpena, Michigan, as of and for the year ended June 30, 2004, and have issued our report thereon dated September 15, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Alpena Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Alpena Community College's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of Alpena Community College in a separate letter dated February 24, 2005.

This report is intended for the information of management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Straley, Ilsley & Lamp, P.C.*

February 24, 2005



Certified Public Accountants

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RETIRE  
GORDON A. NETHERCUT, C.P.A.  
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WARREN W. YOUNG, C.P.A.

To the Board of Trustees  
Alpena Community College  
Alpena, Michigan

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.**

Compliance

We have audited the compliance of Alpena Community College, Alpena, Michigan, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. Alpena Community College, Alpena, Michigan's, major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Alpena Community College's management. Our responsibility is to express an opinion on Alpena Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB A-133 Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Alpena Community College, Alpena, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Alpena Community College, Alpena, Michigan's compliance with those requirements.

In our opinion, Alpena Community College, Alpena, Michigan, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal financial assistance programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of Alpena Community College, Alpena, Michigan, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Alpena Community College, Alpena, Michigan's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

#### Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of Alpena Community College, Alpena, Michigan, as of and for the year ended June 30, 2003, and have issued our report thereon dated September 15, 2004. Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of Alpena Community College, Alpena, Michigan, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Straley, Ilsley & Lamp P.C.*

February 24, 2005

Alpena Community College  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**  
For the year ended June 30, 2004

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>
<u>U.S. Department of Education</u>			
Direct Programs:			
Federal Student Aid Cluster			
Federal Supplemental Educational Opportunity Grants (FSEOG) 2003/2004	* 84.007	P007A031973	\$ 54,838
			<u>54,838</u>
Federal Work-Study Program (FWS) 2003/2004	* 84.033	P033A031973	94,857
			<u>94,857</u>
Federal Pell Grant Program (PELL) 2002/2003 (PELL) Administration 2002/2003 (PELL) 2003/2004	* 84.063	P063P021622 P063Q021622 P063P031622	2,041,655 4,475 2,101,100
			<u>4,147,230</u>
Total Federal Student Aid Cluster			<u>4,296,925</u>
TRIO Cluster			
TRIO - Student Support Services	84.042	P042A980026	916,041
TRIO - Student Support Services	84.042	P042A020076	511,453
			<u>1,427,494</u>
TRIO - Talent Search	84.044	P044A980425	1,322,914
TRIO - Talent Search	84.044	P044A030555	314,365
			<u>1,637,279</u>
TRIO - Upward Bound	84.047	P047A990434	1,299,796
TRIO - Upward Bound	84.047	P047A030939	351,235
			<u>1,651,031</u>
Total TRIO Cluster			<u>4,715,804</u>
Perkins Loan Cancellations Adminstration 2002/2003	84.037	P037Y021973	71
			<u>71</u>
Total Direct Programs			<u>9,012,800</u>
Passed through Alpena-Montmorency-Alcona Educational Service District (AMA-ESD):			
Vocational Education	84.048		
Tech-Prep 2002		942-14	5,212
			<u>5,212</u>
Total passed through AMA-ESD			<u>5,212</u>
Passed through State of Michigan Department of Education:			
Vocational Education	84.048		
Regional Allocation		023510 5101	163,624
Regional Allocation		033510 40211	178,041
			<u>341,665</u>

\* Major Program

Revenue Accrued (Deferred) at June 30, 2003	Prior Year(s) Expenditures	Current Year		Revenue Accrued (Deferred) at June 30, 2004	Total Expenditures
		Receipts	Expenditures		
\$ 5,744	\$ 5,744	\$ 54,838	\$ 49,094	\$ -	\$ 54,838
5,744	5,744	54,838	49,094	-	54,838
-	-	94,857	94,857	-	94,857
-	-	94,857	94,857	-	94,857
-	2,001,212	32,302	32,302	-	2,033,514
-	-	4,475	4,475	-	4,475
-	-	2,067,725	2,101,100	33,375	2,101,100
-	2,001,212	2,104,502	2,137,877	33,375	4,139,089
5,744	2,006,956	2,254,197	2,281,828	33,375	4,288,784
-	865,927	37,738	37,738	-	903,665
4,727	232,752	192,925	188,198	-	420,950
4,727	1,098,679	230,663	225,936	-	1,324,615
5,144	1,268,720	50,304	45,160	-	1,313,880
-	-	286,400	286,400	-	286,400
5,144	1,268,720	336,704	331,560	-	1,600,280
3,102	1,213,495	86,179	83,077	-	1,296,572
-	-	288,600	288,600	-	288,600
3,102	1,213,495	374,779	371,677	-	1,585,172
12,973	3,580,894	942,146	929,173	-	4,510,067
-	-	71	71	-	71
-	-	71	71	-	71
18,717	5,587,850	3,196,414	3,211,072	33,375	8,798,922
(5,364)	5,212	(5,364)	-	-	5,212
(5,364)	5,212	(5,364)	-	-	5,212
13,549	163,624	13,549	-	-	163,624
-	-	158,400	169,211	10,811	169,211
13,549	163,624	171,949	169,211	10,811	332,835

The accompanying notes to financial statements are an integral part of this statement.

Alpena Community College  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**  
For the year ended June 30, 2004

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>
<u>U.S. Department of Education (continued)</u>			
Passed through State of Michigan Department of Education (continued):			
Vocational Education	84.048		
Local Administration P/S		033250 52021	\$ 17,727
Local Administration P/S		033250 40251	19,500
			<u>37,227</u>
Curriculum Development		033260 62111	<u>4,881</u>
Professional Development P/S		033290 402952	2,071
Professional Development P/S		033290 5301118	938
Professional Development P/S		033290 5301141	1,269
			<u>4,278</u>
Total passed through State of Michigan Department of Education			<u>388,051</u>
Other Federal Assistance:			
Federal Family Education Loans	* 84.032		
Stafford Loan - Subsidized		N/A	693,959
Stafford Loan - Unsubsidized		N/A	488,168
PLUS		N/A	4,462
			<u>1,186,589</u>
Total U.S. Department of Education			<u>10,592,652</u>
<u>U.S. Department of Labor</u>			
Passed through Northeast Michigan Consortium H/1B	17.000		<u>1,500,000</u>
Total U.S. Department of Labor			<u>1,500,000</u>
<u>U.S. Small Business Administration</u>			
Passed through Grand Valley State University (GVSU)			
Small Business Development Center - 2003	59.037	3-603001-Z-0023-03	115,000
Small Business Development Center - 2004	59.037	4-603001-Z-0023-04	114,250
Total U.S. Small Business Administration			<u>229,250</u>
Total Federal Financial Assistance			<u>\$ 12,321,902</u>

\* Major Program



Revenue Accrued (Deferred) at June 30, 2003	Prior Year(s) Expenditures	Current Year		Revenue Accrued (Deferred) at June 30, 2004	Total Expenditures
		Receipts	Expenditures		
\$ 2,750	\$ 18,500	\$ 1,977	\$ (773)	\$ -	\$ 17,727
-	-	19,500	19,500	-	19,500
2,750	18,500	21,477	18,727	-	37,227
1,341	4,561	1,661	320	-	4,881
-	-	2,071	2,071	-	2,071
-	-	938	938	-	938
-	-	1,269	1,269	-	1,269
-	-	4,278	4,278	-	4,278
17,640	186,685	199,365	192,536	10,811	379,221
-	-	693,959	693,959	-	693,959
-	-	488,168	488,168	-	488,168
-	-	4,462	4,462	-	4,462
-	-	1,186,589	1,186,589	-	1,186,589
30,993	5,779,747	4,577,004	4,590,197	44,186	10,369,944
-	-	16,650	53,774	37,124	53,774
-	-	16,650	53,774	37,124	53,774
31,738	31,738	115,000	83,262	-	115,000
-	-	28,314	48,073	19,759	48,073
31,738	31,738	143,314	131,335	19,759	163,073
\$ 62,731	\$ 5,811,485	\$ 4,736,968	\$ 4,775,306	\$ 101,069	\$ 10,586,791

The accompanying notes to financial statements are an integral part of this statement.

Alpena Community College

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE 1--SIGNIFICANT ACCOUNTING POLICIES.**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Alpena Community College, Alpena, Michigan. The reporting entity of Alpena Community College is defined in Note 1 to the College's financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies are included on the schedule.

In June 1997, the Office of Management and Budget revised OMB Circular A-133, re-titled *Audits of States, Local Governments, and Non-Profit Organizations*. The revised circular established a risk-based approach to determine which Federal programs were major programs. This risk-based approach included consideration of: Current and prior audit experience, oversight by Federal agencies and pass-through entities, and the inherent risk of the Federal program. Major program determination was performed and is defined in Section 520 of the circular.

For the audit period ended June 30, 2004 Alpena Community College's dollar threshold for larger Federal programs, which were regarded as Type A programs, were programs or a cluster of programs with Federal awards expended during the audit period which exceeded \$300,000. All other Federal programs were regarded as Type B programs. For the year ended June 30, 2004, no federal programs were considered to be high-risk and the determination was made that major programs were all Type A programs to encompass at least 25% of the total federal awards expended. During the year ended June 30, 2004, Alpena Community College expended 73% of its total expenditures of Federal Awards programs audited as Major Programs.

**NOTE 2--BASIS OF ACCOUNTING.**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the College's financial statements.

**NOTE 3--CFDA.**

This refers to the Catalog of Federal Domestic Assistance.

**NOTE 4--RECONCILIATION TO U.S. DEPARTMENT OF EDUCATION GRANT ADMINISTRATION AND PAYMENT SYSTEM PAYMENT REQUESTS.**

The following shows a reconciliation the Total Direct programs of the U.S. Department of Education reported on the Schedule of Expenditures of Federal Awards to U.S. Department of Education Grant Administration and Payment System Payment Requests.

Current year expenditures of direct	
U.S. Department of Education Programs	\$ 3,211,072
Accounts receivable - June 30, 2003	18,717
Accounts receivable - June 30, 2004	<u>(33,375)</u>
Total grant payment requests	\$ <u>3,196,414</u>

Alpena Community College

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE 5--RECONCILIATION TO MICHIGAN DEPARTMENT OF EDUCATION GRANT SECTION AUDITORS REPORT.**

The following shows a reconciliation of current year expenditures per the Schedule of Expenditures of Federal Awards to current payments per Michigan Department of Education Form R-7120:

Current year expenditures passed through	
Michigan Department of Education:	
U.S. Department of Education	\$ 192,536
Accounts receivable - June 30, 2003	-
Accounts receivable - June 30, 2004	<u>(10,811)</u>
	\$ <u>181,725</u>
Agency total current payments per	
MDE Form R-7120	\$ <u>181,725</u>

**NOTE 6--RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS.**

Revenues from federal sources are reported in the College's financial statements as follows:

	<u>Federal Revenues</u>
General Fund	\$ 5,010
Restricted Fund	<u>3,592,392</u>
Total Federal Revenues	3,597,402
Federal grant revenues previously reported as state grants on the audited financial statements at June 30, 2004	(7,200)
Federal grant revenues from program income and refunds reported in the audited financial statements at June 30, 2004 not reported in the Schedule of Federal Awards	(1,485)
Federal Family Assistance Loan Programs, C.F.D.A. #84.032 not reported in the audited financial statements at June 30, 2004	<u>1,186,589</u>
Expenditures per Schedule of Expenditures of Federal Awards	\$ <u>4,775,306</u>

**NOTE 7--SOURCE DOCUMENTATION.**

When possible, project expenditures are vouched to various other supporting documentation, such as U.S. Department of Education Pell Processed Disbursement List – YTD and MDE Form DS-4044. The amounts reported on MDE R7120, Grant Section Auditors Report, reconcile with the schedule. Instances, if any, where the federal expenditures do not agree with supporting documents, have been reported as a finding.

Alpena Community College

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the year ended June 30, 2004

**A. SUMMARY OF AUDIT RESULTS**

1. The Auditors' report expresses an unqualified opinion on the financial statements of Alpena Community College.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. The results of our tests disclosed no instances of noncompliance material to the financial statements of Alpena Community College that are required to be reported under Government Auditing Standards.
4. No reportable conditions in internal control over Major Programs are reported in the Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and Supplementary Schedule of Expenditures of Federal Awards.
5. The Auditors' Report on Compliance for Major Programs expresses an unqualified opinion.
6. The Auditors' Report disclosed no instances of findings relative to the Major Federal Award Programs required to be reported under OMB circular A-133.
7. Programs tested as major programs:  
  
U.S. Department of Education, Department of Health and Human Services, Student Financial Assistance Program Cluster:  
CFDA 84.007 - Federal Supplemental Educational Opportunity Grant Program (FSEOG)  
CFDA 84.032 - Federal Family Education Loan Program (FFEL)  
CFDA 84.033 - Federal Work-Study Program (FWS)  
CFDA 84.063 - Federal Pell Grant Program (PELL)
8. The threshold for distinguishing Type A and Type B Programs was \$300,000.
9. Alpena Community College qualified as a low-risk auditee under criteria in Section 530 of (OMB) Circular A-133.

**B. SUMMARY OF FINDINGS RELATING TO THE FINANCIAL STATEMENTS.**

There were no findings relating to the financial statements which are required to be reported under generally accepted government auditing standards.

**C. FINDINGS AND QUESTIONED COSTS OF MAJOR FEDERAL AWARD PROGRAMS.**

There were no findings or questioned costs related to major federal award programs for the year ended June 30, 2004.

Alpena Community College

**INDEPENDENT AUDITORS' COMMENTS ON AUDIT RESOLUTION MATTERS  
RELATING TO THE SFA PROGRAMS**

For the year ended June 30, 2004

**PRIOR FINDINGS AND QUESTIONED COSTS OF MAJOR FEDERAL AWARD PROGRAMS.**

There were no findings or questioned costs related to the major federal award programs for the year ended June 30, 2003.

## ATTACHMENT A - AUDITOR INFORMATION SHEET

Alpena Community College  
666 Johnson Street  
Alpena, MI 49707

Entity No.: 1-38-6003920-A1  
Telephone: (989) 356-9021  
Fax: (989) 356-0980

President: Dr. Olin H. Joynton  
Contact Person: Max P. Lindsay, Dean of Student Affairs

Lead Auditor: Mark L. Sandula, CPA  
Firm Name: Straley, Ilsley & Lamp P.C.  
Address: P.O. Box 738  
Alpena, Michigan 49707  
License No.: 1101010225  
Telephone: (989) 356-4531  
Fax: (989) 356-0494

Student Financial Assistance Programs:  
Federal Supplemental Educational Opportunity Grant Program  
(FSEOG) - 84.007  
Federal Family Education Loan Program (FFEL) - 84.032  
Federal Work Study (FWS) - 84.033  
Federal Pell Grant Program (Pell) - 84.063

Report filing status: original submission

The campuses/ facilities considered as part of this institution are as follows:

<u>Location</u>	<u>Description of facility</u>
666 Johnson Alpena, MI	Main Campus SFA's & Controller's Office

Note: Even though College has a branch location, Huron Shores Campus, all accounting and administrative controls of SFA programs are located at the main campus listed above.

Institution's Accrediting Organization: North Central Association of Colleges and Schools, Commission on Institutions of Higher Education.

Records for the accounting and administration of the SFA Programs are located at:

Alpena Community College  
Main Campus  
666 Johnson Street  
Alpena, MI 49707

The most recent annual audited financial statements were for the fiscal year ended June 30, 2004. An unqualified opinion was expressed.

## ATTACHMENT B - SERVICER INFORMATION

### UNISA, INC.

7400 E. Arapahoe Rd., Ste 10  
Englewood, CO 80112-1279  
Voice: (303) 221-5626  
Fax: (303) 221-5606  
Email: cust-svc@unisainc.com

### DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS

<u>Compliance requirement</u>	<u>Responsibility of Institution</u>	<u>Responsibility of UNISA, INC.</u>	<u>Explanation of Divided Responsibility</u>
I. Computer operations			
A. Terminal and software security		X	
B. Data integrity		X	
C. System and data backup		X	
D. Disaster recovery plan		X	
II. Cash management			
A. Drawdowns	X		
B. Authorization vs. expenditures	X		
C. Reconcile general ledger to bank	X		
D. Bank account notes federal funds	X		
III. Financial reports			
A. FISAP		X	
B. EDPMTS/EDCAPS	X		
C. Pell IPS	X		
IV. Institutional eligibility			
A. Participation agreement/ECAR	X		
B. Accreditation status	X		
C. Admissions policy	X		
D. Eligible programs	X		
E. Calculation on institutional eligibility ratios	X		
F. Licenses	X		
G. Administrative capability items	X		
V. Student eligibility			
A. High school diploma or equivalent or ability to benefit	X		
B. Regularly enrolled in eligible program	X		
C. Citizen or permanent resident	X		
D. Satisfactory progress	X		
E. Default/refund status	X		
F. Social security number match requirement	X		
G. Other requirements	X		
VI. Coordination of programs			
A. Financial aid organization	X		
B. Other information available	X		
C. Needs analysis	X		
D. Professional judgment documentation	X		

## ATTACHMENT B - SERVICER INFORMATION

### UNISA, INC.

7400 E. Arapahoe Rd., Ste 10  
Englewood, CO 80112-1279  
Voice: (303) 221-5626  
Fax: (303) 221-5606  
Email: cust-svc@unisainc.com

### DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS

<u>Compliance requirement</u>	<u>Responsibility of Institution</u>	<u>Responsibility of UNISA, INC.</u>	<u>Explanation of Divided Responsibility</u>
VII. Administrative capability			
A. Student file maintenance	X		
B. Record retention	X		
C. Verification	X		
VIII. Disbursements			
A. Financial aid transcripts/NSLDS information	X		
B. Independent/Dependent status determination	X		
C. Timing and amount of disbursements	X		
IX. Refunds or overpayments			
A. Policy	X		
B. Refund calculations	X		
C. Overpayment calculations	X		
D. Disbursement and accounting for refunds/overpayments	X		
X. Institutional disclosure			
A. Accuracy of institutional data	X		
B. Disclosure to students	X		
XI. Pell Grant	N/A		
A. Types of expenditures allowed			
B. Program performance			
1. Program expenditures			
2. Timing of payment; cutoff dates for receipts of SAR's			
C. Financial reports			
XII. Campus-based programs (general)			
A. Types of expenditures allowed			
1. Program expenditures	X		
2. Administrative cost allowance	X		
B. Program performance			
1. Accuracy of FISAP data	X		
2. System of need analysis	X		



## ATTACHMENT B - SERVICER INFORMATION

### UNISA, INC.

7400 E. Arapahoe Rd., Suite 10  
 Englewood, CO 80112-1279  
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### DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS

<u>Compliance requirement</u>	<u>Responsibility of Institution</u>	<u>Responsibility of UNISA, INC.</u>	<u>Explanation of Divided Responsibility</u>
XIII. Campus-based programs (Perkins)			
A. Type of expenditures allowed	X		
B. Matching	X		
C. Program performance			
1. Student eligibility	X		
2. Approved promissory note	X		
3. Due diligence		X	
4. Repayment records		X	
D. Special compliance requirements			
1. Minimum cash balance; cash planning	X		
2. Treatment of interest earned on Perkins loan balance	X		
XIV. Campus-based programs (FSEOG)	N/A		
A. Eligible expenditures			
B. Matching			
C. Selection of students for FSEOG awards			
XV. Campus-based programs (FWS)	N/A		
A. Types of expenditures and employment allowed			
1. Types of employment allowed			
2. Types of expenditures allowed			
B. Matching			
C. Program performance			
1. Selection of students for employment			
2. Approval of time sheets and payment to students			
D. Special compliance requirements			
1. JLD And CSJLD programs			
2. CSL programs (5% min.)			
XVI. Federal Family Education Loans (FFEL)	N/A		
A. Program performance			
1. Determination of eligibility and completion of application			
2. Default reduction measures			
3. Entrance and exit counseling			
4. Loan disbursement			
5. EFT Roster reconciliation			
6. Eligibility for disbursement			
B. Status reporting			
1. SSCR completion			
2. Change in enrollment status			
C. Special compliance requirements			
1. Refund policy			
2. Refunds to lenders			

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### DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS

#### XVII Federal Direct Loan Programs (FDLP)

N/A

- A. Program performance
  - 1. Determination of eligibility
  - 2. Entrance and exit counseling
  - 3. Exporting and importing electronic files to/from the LOC
  - 4. Loan disbursement
  - 5. Monthly data matching including:
    - a. Loan and cash detail records
    - b. Summary reporting
- B. FDLP Status reporting
  - 1. SSCR's
  - 2. Change in enrollment status